



OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE ARTESIA REDEVELOPMENT AGENCY AGENDA REPORT

MEETING DATE: 2/9/15

**CONTROL
NO:**

ITEM NO: 4

SUBJECT: RESOLUTION NO. OB 15-37

A RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE ARTESIA REDEVELOPMENT AGENCY APPROVING THE USE OF ALTERNATIVE SOURCE OF FUNDS FOR ROPS 14-15B OBLIGATIONS

FROM: Successor Agency to the Artesia Redevelopment Agency

PRESENTATION BY: Justine Menzel, Deputy Executive Director

RECOMMENDATION

Staff recommends that the Oversight Board adopt Resolution No. OB 15-37, approving the use of an alternative source of funds (consisting of moneys that the State Department of Finance (the "DOF") permitted the Successor Agency to retain from the due diligence reviews) to supplement amounts received from the most recent Redevelopment Property Tax Trust Fund (the "RPTTF") disbursement, to make payments on obligations that were already approved by the Oversight Board and the State Department of Finance (the "DOF").

BACKGROUND

In September 2014, the Successor Agency prepared a Recognized Obligation Payment Schedule ("ROPS 14-15B"), listing the estimated payment amounts for enforceable obligations and the sources of funds for such payments during the period from January 1, 2015 to June 1, 2015 (the "ROPS 14-15B Period"). ROPS 14-15B was submitted to the Oversight Board for approval. On September 24, 2014, the Oversight Board adopted Resolution No. OB 14-32, approving ROPS 14-15B. Subsequently, as required by Health and Safety Code Sections 34177 and 34179, the Successor Agency submitted ROPS 14-15B, in the form approved by the Oversight Board, to the DOF for review. On November 14, 2014, the DOF issued its letter informing the Successor Agency that ROPS 14-15B has been approved.

For the ROPS 14-15B Period, the DOF approved the disbursement by the Los Angeles County Auditor-Controller of \$744,079 from the RPTTF to the Successor Agency for payment of enforceable obligations (including bond debt service, other contractual obligations and administrative costs allowance). On January 2, 2015, the County Auditor-Controller informed the Successor Agency that only \$641,945.97 was available for disbursement from the RPTTF for the ROPS 14-15B Period, and disbursed \$641,945.97 to the Successor Agency from the RPTTF (the "ROPS 14-15B RPTTF Disbursement").

HSC Section 34177(a)(4) provides that the Successor Agency may, with the prior approval of the Oversight Board, make payments on enforceable obligations from sources other than those listed on the ROPS.

The Successor Agency has certain funds on hand (the “Reserve Balance”) from moneys that, per the DOF’s determination regarding the due diligence reviews (conducted pursuant to HSC Sections 34179.5 and 34179.6), the Successor Agency was permitted to retain for enforceable obligations in light of RPTTF shortfalls.

FISCAL IMPACT

By adopting the attached Resolution, the Oversight Board will be approving the Successor Agency’s use of the Reserve Balance to supplement moneys received from the January 2, 2015 RPTTF disbursement to make payments on obligations that the Oversight Board and the DOF already approved for ROPS 14-15B.

BOARD ACTION

Staff recommends that the Oversight Board adopt Resolution No. OB 15-37, approving the use of alternative source of fund (*i.e.*, the Reserve Balance) for ROPS 14-15B obligations.

ATTACHMENT

Resolution No. OB 15-37

RESOLUTION NO. OB 15-37

A RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE ARTESIA REDEVELOPMENT AGENCY APPROVING THE USE OF ALTERNATIVE SOURCE OF FUNDS FOR ROPS 14-15B OBLIGATIONS

RECITALS

A. Pursuant to Section 34177(l) of the Health and Safety Code ("HSC"), the Successor Agency to the Artesia Redevelopment Agency (the "Successor Agency") must prepare a Recognized Obligation Payment Schedule ("ROPS") for each six-month fiscal period (commencing each January 1 and July 1), listing the estimated payment amounts for enforceable obligations and the sources of funds for the payments during such fiscal period.

B. Each ROPS must be submitted to the Oversight Board of the Successor Agency (the "Oversight Board") and the California State Department of Finance (the "DOF") for approval.

C. The Successor Agency previously prepared a ROPS ("ROPS 14-15B") for the period from January 1, 2015 to June 1, 2015 (the "ROPS 14-15B Period").

D. On September 24, 2014, the Oversight Board adopted Resolution No. OB 14-32, approving ROPS 14-15B in the form submitted by the Successor Agency.

E. The Successor Agency submitted ROPS 14-15B, in the form approved by the Oversight Board, to the DOF for review and approval.

F. The DOF issued its letter, dated November 14, 2014, informing the Successor Agency that the Successor Agency's ROPS 14-15B had been approved.

G. For the ROPS 14-15B Period, the DOF approved the disbursement by the Los Angeles County Auditor-Controller of \$744,079 from the Successor Agency's Redevelopment Property Tax Trust Fund (the "RPTTF") to the Successor Agency for payment of enforceable obligations (including bond debt service, fees payable to the bond trustee and administrative costs allowance).

H. On January 2, 2015, the County Auditor-Controller informed the Successor Agency that only \$641,945.97 was available for disbursement from the RPTTF for the ROPS 14-15B Period, and disbursed \$641,945.97 to the Successor Agency from the RPTTF (the "ROPS 14-15B RPTTF Disbursement").

I. In light of the insufficiency of the ROPS 14-15B RPTTF Disbursement to cover the payments approved by the DOF for the ROPS 14-15B Period, the Successor Agency will need to use funds from sources other than the RPTTF, to the extent available, to the pay for the enforceable obligations approved by the DOF for ROPS 14-15B.

J. The Successor Agency has certain funds on hand (the "Reserve Balance") from moneys that, per the DOF's determination regarding the due diligence reviews (conducted pursuant to HSC Sections 34179.5 and 34179.6), the Successor Agency was permitted to retain for enforceable obligations in light of RPTTF shortfalls.

K. HSC Section 34177(a)(4) provides that the Successor Agency may, with the prior approval of the Oversight Board, make payments on enforceable obligations from sources other than those listed on the ROPS.

NOW, THEREFORE, THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE ARTESIA REDEVELOPMENT AGENCY, HEREBY FINDS, DETERMINES, RESOLVES, AND ORDERS AS FOLLOWS:

Section 1. The above recitals are true and correct and are a substantive part of this Resolution.

Section 2. With respect to any and all obligations payable during the ROPS 14-15B Period for which the RPTTF was listed as the funding source on ROPS 14-15B (as approved by the DOF), the Oversight Board hereby approves the Successor Agency's use of a portion of the Reserve Balance as an additional or alternative funding source for such items.

Section 3. The members of this Oversight Board and the officers of the Successor Agency are hereby authorized, jointly and severally, to do such things, including the execution and delivery of written instruments, which they may deem necessary or proper to effectuate the purposes of this Resolution.

PASSED, APPROVED AND ADOPTED this 19th day of February, 2015.

AYES:

NOES:

ABSENT:

ABSTAIN:

William A. Holt, CHAIR

ATTEST:

Gloria Considine, SECRETARY
OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE
ARTESIA REDEVELOPMENT AGENCY